

ASSOCIATION OF APARTMENT OWNERS
MAUI HILL
BOARD OF DIRECTORS
January 28-29, 2019

I. Call to Order

President Dick Endean called the meeting to order at 4:04 p.m. at Maui Hill.

II. Establish Quorum

Members Present: Loren Knott, CJ Law, Dick Endean, Carl Carlson.

Maui Lea Board: Bill Petro, Loren Knott, CJ Law, Tim Ohm, Dick Endean, Bob Jacalone, Paul DiMarchi

By Invitation: Frank Robar, Condominium Fiscal Management Inc., Co-Plan Manager Maui Lea; Dennis Costa, General Manager; Ruth Okada, Aqua-Aston Hospitality, Inc. Managing Agent.

III. Executive Session

MOTION #1: CJ Law moved to go into executive session. The motion was seconded by Loren Knott and passed by unanimous consent.

The Board went into a joint executive session with Maui Lea at 4:05 p.m. Upon coming out of executive session, the regular meeting resumed at 5:55 p.m. During executive session, the Board discussed legal matters.

The meeting was recessed at 5:55 p.m. and resumed on 1/29/19 at 12:43 p.m. at the Residence Inn, Maui Wailea.

IV. Establish Quorum

Members Present: Loren Knott, CJ Law, Dick Endean, Alex Cordas, Carl Carlson (arrived later).

Maui Lea Board: Bill Petro, Loren Knott, CJ Law, Tim Ohm, Dick Endean, Bob Jacalone, Paul DiMarchi

Owners Present: Bob Hill, Mary & Bill Williams, Richard Werner, Todd Niehoff, Sandy & Susan Roberts, Rosemary Jacalone.

By Invitation: Nancy Benson, Maui Lea Owners' Relations; Frank Robar, Condominium Fiscal Management Inc., Co-Plan Manager Maui Lea; Dennis Costa, General Manager; Ruth Okada, Aqua-Aston Hospitality, Inc. Managing Agent.

Everyone present introduced themselves.

V. Approval of Agenda

MOTION #2: CJ Law moved to approve the agenda with the following additions:

- **New Business - House Rules Regarding Drones**
- **New Business – Replacement of Backflows \$34,000**
- **Unfinished Business - Pool Cushions**
- **New Business – Tennis Court Sign Up**
- **New Business - No Smoking Letter**

The motion was seconded by Alex Cordas and passed by unanimous consent.

VI. Approval of Board Meeting Minutes – 9/17/18 Organization; 11/30/18 Regular Conference Call

MOTION #3: Loren Knott moved to approve the minutes of the 9/17/18 Organizational meeting as circulated. The motion was seconded by CJ Law and passed by unanimous consent.

MOTION #4: Loren Knott moved to approve the minutes of the 11/30/18 Regular Conference Call meeting as circulated. The motion was seconded by CJ Law and passed by unanimous consent.

VII. Treasurer's Report

Deferred to later in the meeting.

VIII. Standing Committee

1. Unit Rental Interface Program – Deferred to later in the meeting.

Carl Carlson arrived at 12:52 p.m.

2. Architectural Review
 - A. Nonconforming ACs – Dennis Costa reported on the units that were non-conforming.
 - B. Owner Renovations, if any (Approved & Denied) – There was none.
 - C. Owner Renovations, if any (For Board Approval) – There was none.

IX. Treasurer's Report

Carl Carlson reported on the following.

1. Financial – Reviewed the 12/31/18 financials.
2. Delinquencies/Collections – Remains nominal.
3. Investments – Cost Basis Election – Information explaining the various options was sent to the Board for review. Ruth Okada explained the election options and the CPA's HIFO recommendation.

MOTION #4: CJ Law moved to approve the selection of HIFO as the cost basis election for Bank of Hawaii Trust investments. The motion was seconded by Alex Cordas and passed by unanimous consent.

4. Land Lease – Dick Endean thanked the Board for their assistance in the extension of land lease.
 - A. CCDs – A letter to the owners explaining the extension was sent to the owners. CCDs still need to be amended at a cost of \$200 per unit which was included in the special assessment.
 - B. Excess Funds – A schedule of the excess funds of the special assessment was sent to the Board. The excess will be used to pay the \$200 CCD amendments and the increase in the general excise State tax.

X. Standing Committee (cont.)

1. Unit Rental Interface Program – Carl Carlson reported on the unit rental situation at Maui Hill:
 - Units at Maui Hill are either in Aston's rental operation, VRBOs or owner occupied.
 - It is recommended that the Board create an interface with all these unit types.
 - Management access to all units is critical in an emergency.
 - All occupants should register at the front desk so that management knows who is on property at all times.
 - Arrival information should be sent to the onsite management prior to the arrivals.
 - House Rules must be followed by all occupants and their guests/invitees. Fining should be implemented if rules are not followed.
 - All occupants should be able to attend the Manager's Mai Tai function at the pool. Expenses should be allocated fairly.
 - Repairs within units are handled by the owners or rental agents
 - Pool towels can be provided by the front desk for all occupants. Expense should be allocated fairly.
 - Front desk operation currently funded by percentage between the AOA, timeshare and resort operations. Expenses should be allocated fairly.

General discussion followed on these points and how to fairly allocate the expenses related to the services/amenities. Carl Carlson will draft a letter that will be sent to all VRBO owners and provide it to the Board for review and approval via email. The Board thanked the committee for their work on this matter. The final decision on fining was deferred.

XI. New Business

1. Smoking – Dick Endean read the letter from Brad & Michelin Taylor regarding making Maui Hill smoke free and fining for violations. General discussion followed on the letter and the following:
 - 1) Dennis Costa adding no smoking sign at the BBQ and also installing the international symbol for no smoking,
 - 2) Reduce smoking areas to 3 rather than 7,
 - 3) Enforce the no smoking rule and fine for violations,
 - 4) Restricting certain types of smoking such as cigars and pipes,
 - 5) Sending a survey to the owners on this matter,
 - 6) Asking that all occupants sign an acknowledgement at registration and require that all parties agree to abide by the no smoking rule and
 - 7) drafting a short form House Rule that will be distributed at registration. Dick Endean will send a letter to the Taylors thanking them for their letter and advising that the Board will be make a final decision at their April meeting. Dennis Costa will check with neighboring properties who have a no smoking rule to determine how they enforce. The Board agreed that Dennis should add the international no smoking signage on the lanais of units and at the BBQ areas.

XII. Ad Hoc Committee

1. Energy Conservation – Alex Cordas reported on the following:
 - Phase I for the administration and maintenance buildings including the pool and spa areas are online with a 90 Kwh system. Golf cart charging station with batteries still be reviewed.
 - Phase II will include the timeshare units with a 480 megawatts system with storage capability. Panels will be installed on the south facing roofs. Will also review solar for the other individually owned units also. This will require reroofing of the building. Board will need to review retile or changing to a fiberglass shingle style which may require owner's approval.
 - Challenges on obtaining building permits because of the non-conforming backflow preventers.
 - Location of the equipment will need to be determined.
 - Review scheduling and impact to occupancy.

XIII. Manager's Report

Dennis Costa read the manager's report and reported on the following.

1. Projects Status
 - A. Stucco Status on Open Issues – Completed and working on the punch list.
 - B. In House Painting of Unit/Utility Doors & Electrical Structures – Completed.
2. Approval of Capital Reserve Expenditures Roof Underlayment Replacement Phase 1 \$68,040 – Reported that in the last 6 months there have been no leaks. With the timeshare contemplating solar, the Board may want to push back phase 1 of the roofing project.

MOTION #5: Carl Carlson moved to approve proceeding with Phase 1 \$68,040 of the roofing project only as needed. The motion was seconded by Dick Endean.

Discussion: Discussed followed on the PV project for the timeshare, obtaining the building permits, and the impact on the roof replacement.

The motion passed by unanimous consent.

3. Special Events at Center Courtyard & Pool – This will no longer be pursued and will be removed from the agenda.
4. Wood Stairs & Landings Trex & Other Alternative Quotes – Continuing to review options.

5. Telephone System (PBX) – Ruth Okada reported on February 1st Pacific Direct Connect will be inspecting the property to provide services for phone, cable TV and internet. Dennis & Dick Endean will be present. Dick noted that the AOA has signed a one-year contract with Black Box.
6. Activities Desk – Expires 3/1/19 with Hawaiian Activities. Currently in negotiations.

XIV. Unfinished Business

1. Fining for Violations – Deferred to the next meeting.
2. Zoning Impacting Maui Hill – Dick Endean reported on the following and the impact to Maui Hill.
 - A. Kahoolawe Research Center – To be built across Maui Hill. Received approval to proceed and now going to the State to seek funding to do this. It is a not for profit.
 - B. Low Income Housing – Property next to the main road sign. The owner wants to sell the land to a Developer to add affordable housing. No approvals have been obtained.
 - C. Keawekapu Driveway & Alakoa Street (Legal Counsel reviewing) – Explained the various pieces of property and ownership. Loren Knott will check with Krause Anderson and the attorney for the initial lender and report back to the Board. The President of Keawekapu has contacted Dennis to participate in paying to repair their piece of the driveway that Maui Hill crosses.

3. Pool Cushions

MOTION #6: Alex Cordas moved to approve purchasing 8 pool chaise cushions as an operating expense. The motion was seconded by Carl Carson and passed by unanimous consent.

XV. New Business

1. Service Animals – Loren Knott stated that we are bound by the statutes. Ruth Okada will have Shannon review the House Rules to make sure it covers service animals.
2. Approval of Motion Regarding Employees – Ruth Okada reported that 74.204% owner's approval was attained at the 9/19/18 Annual meeting for the following: "The Association may contract for the services of employees who engage in renting units at Maui Hill, and the Association may engage a management company for the Association that also engages in renting units at Maui Hill."
3. Ratify Approval of SmartProperty \$1,100 (Reserve Study Software for FYE 6/20 Budget)

MOTION #7: Loren Knott moved to ratify the approval of \$1,100 for SmartProperty for the reserve study for FYE June 2020. The motion was seconded by CJ Law and passed by unanimous consent.

4. Ratify Approval of Revocable Permit No. S-7816 – A copy of the letter from the State confirming the continuation of this permit was sent to the Board for review.

MOTION #8: Loren Knott moved to ratify the approval of the Revocable Permit No. S-7816 with the State on a month to month basis for an additional year up to 12/31/19 at a monthly rent of \$62.39 per month. The motion was seconded by CJ Law and passed by unanimous consent.

5. House Rules Regarding Drones – Dick Endean noted that drones are a violation of potential privacy. The Board asked Ruth Okada to work with AOA legal counsel to determine if a rule should be added to the House Rules.
6. \$34,000 Backflow Preventer Valves – General discussion followed on upgrading/replacing the backflows to meet current codes.

MOTION #9: Loren Knott moved to approve \$34,000 to replace 14 backflow preventer valves to meet the requirements of the County as a capital expense. The motion was seconded by Carl Carlson and passed by unanimous consent.

Will work with the County in conjunction with the solar charging stations for the golf carts.

7. Tennis Court Sign Up – Dick Endean explained the court is busy during certain times of the year. General discussion followed on establishing a system to sign up for the court use. Suggested doing a trial period for signing up. Dick will work with Dennis Costa and implement on a trial basis and report back to the Board.

XVI. Next Meeting

1. Board
 - A. 4/24/19 (Las Vegas) 9:00 a.m.
 - B. 9/26/19 (Maui) Following Annual Owners Meeting
 - C. 1/22/20 tentative 1/21/20 Executive Session
2. Annual – 9/26/19

The meeting was recessed at 3:39 p.m. and resumed at 3:42 p.m.

XVII. Executive Session


MOTION #10: CJ Law moved to go into executive session. The motion was seconded by Alex Cordas and passed by unanimous consent.

The Board went into executive session at 3:42 p.m. Upon coming out of executive session, the regular meeting resumed at 3:43 p.m. During the executive session, the Board discussed legal matter.


XVIII. Adjournment

MOTION #11: Loren Knott moved to adjourn the meeting. The motion was seconded by CJ Law and passed by unanimous consent.

The meeting was adjourned at 3:48 p.m.

Approved by: 

Alex Cordas, Secretary
Board of Directors


Ruth Okada
Recording Secretary

Approved by the Board of Directors on 04/24/2019.